

REGULATION OF BANK INDONESIA

NUMBER: 12/16/PBI/2010

CONCERNING

MONITORING SYSTEM FOR TRANSACTIONS ON FOREIGN CURRENCIES

AGAINST RUPIAH

BY THE GRACE OF ALMIGHTY GOD

THE GOVERNOR OF BANK INDONESIA,

- Considering :
- a. whereas the integration of the domestic financial market with the global financial market leads to various challenges and risks for Bank Indonesia as a monetary authority;
 - b. whereas in order to face the challenges and to mitigate the risks, anticipative and responsive policies of Bank Indonesia on exchange rates are required;
 - c. whereas one of the efforts to materialize such quick and accurate policy response in accordance with market developments is by conducting real-time monitoring in the domestic foreign exchange market;
 - d. whereas based on the considerations as referred to in points a, b, and c, it is necessary to set forth provisions

concerning monitoring system for transactions on foreign currencies against rupiah in a Bank Indonesia Regulation;

- In view of :
1. Act Number 7 Year 1992 concerning Banking (State Gazette of the Republic of Indonesia Year 1992 Number 31, Supplement to State Gazette of the Republic of Indonesia Number 3472) as amended by Act Number 10 Year 1998 (State Gazette of the Republic of Indonesia Year 1998 Number 182, Supplement to State Gazette of the Republic of Indonesia Number 3790);
 2. Act Number 23 Year 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia Year 1999 Number 66, Supplement to State Gazette of the Republic of Indonesia Number 3843) as most recently amended by Act Number 6 Year 2009 concerning the Stipulation of Government Regulation In Lieu of Law Number 2 Year 2008 concerning the Second Amendment to Act Number 23 Year 1999 concerning Bank Indonesia into Act (State Gazette of the Republic of Indonesia Year 2009 Number 7, Supplement to State gazette of the Republic of Indonesia Number 4962);
 3. Act Number 21 Year 2008 concerning Sharia Banking (State Gazette of the Republic of Indonesia Year 2008

Number 94, Supplement to State Gazette of the Republic
of Indonesia Number 4867);

HAS DECIDED:

To stipulate : BANK INDONESIA REGULATION CONCERNING
MONITORING SYSTEM FOR TRANSACTIONS ON
FOREIGN CURRENCIES AGAINST RUPIAH.

Article 1

Referred to herein as:

1. Bank is a Commercial Bank as referred to in Act Number 7 Year 1992 concerning Banking as amended by Act Number 10 Year 1998, including branch offices of foreign banks in Indonesia and Sharia Commercial Bank as referred to in Act Number 21 Year 2008 concerning Sharia Banking.
2. Foreign Exchange Bank is a Bank obtaining the license from Bank Indonesia to be able to engage in business activities in the field of foreign exchange.
3. Monitoring System for Transactions on Foreign Currencies against Rupiah, hereinafter briefly referred to as SISMONTAVAR, is a real-time monitoring system for interbank transactions on foreign currencies against rupiah.
4. Dealing system is a system used by Banks for making transactions on foreign currencies against rupiah.

5. Confirmation Procedure shall be a procedure for the transmission of information on transactions on foreign currencies against rupiah electronically to the SISMONTAVAR application.
6. Money Market Dealer is a money market dealer having obtained a license from Bank Indonesia in accordance with the regulation of Bank Indonesia concerning rupiah and foreign exchange money market brokerage companies.

Article 2

- (1) Bank Indonesia shall apply SISMONTAVAR on interbank transactions on foreign currencies against rupiah.
- (2) The application of SISMONTAVAR as referred to in paragraph (1) shall be applicable for Foreign Exchange Banks which have used Dealing Systems.

Article 3

- (1) Foreign Exchange Banks must provide supporting equipment for SISMONTAVAR.
- (2) Foreign Exchange Banks must maintain SISMONTAVAR application in an on-line condition at the time the Banks are making transactions on foreign currencies on rupiah.
- (3) Foreign Exchange Banks must implement the Confirmation Procedure in the Dealing System connected to the SISMONTAVAR application immediately

following the completion of the transactions on foreign currencies against rupiah.

- (4) The obligation as referred to in paragraph (3) shall also be applicable for transactions on foreign currency against rupiah made by using the services of Money Market Dealers.
- (5) In the event of any error in transaction information after the implementation of the Confirmation Procedure, Foreign Exchange Banks shall submit to Bank Indonesia correction to transaction information immediately after the error is found.

Article 4

- (1) Foreign Exchange Banks failing to maintain the SISMONTAVAR application in an on-line condition while making transactions on foreign currencies against rupiah as referred to in Article 3 paragraph (2) shall be subject to administrative sanction in the form of written reprimand.
- (2) Foreign Exchange Banks failing to implement Confirmation Procedure immediately after the completion of transactions on foreign currencies against rupiah as referred to in Article 3 paragraphs (3) and (4) shall be subject to administrative sanction in the form of written reprimand.

Article 5

The sanctions as referred to in Article 4 shall not be applicable in the following conditions:

- a. There are problems with the SISMONTAVAR application;
- b. There are problems with the data network;
- c. There is a failure in the Dealing System; and/or
- d. There is a force majeure.

Article 6

- (1) The obligations as referred to in Article 3 paragraphs (3) and (4) shall not be applicable for Foreign Exchange Banks which have used Dealing Systems but whose SISMONTAVAR application has not been installed at the time of the coming into effect of this Bank Regulation.
- (2) For Foreign Exchange Banks as referred to in paragraph (1), the obligations as referred to in Article 3 paragraphs (3) and (4) shall be applicable at the time the SISMONTAVAR application is installed.

Article 7

This Bank Indonesia Regulation shall be effective on September 1, 2010.

For the purpose public cognizance, it is ordered that this Bank Indonesia Regulation be promulgated in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta

On August 30, 2010

Acting GOVERNOR OF BANK INDONESIA

[Signed]

DARMIN NASUTION

Promulgated in Jakarta

On August 30, 2010

MINISTER OF LAW AND HUMAN RIGHTS OF
THE REPUBLIC OF INDONESIA,

PATRIALIS AKBAR

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2010 NUMBER 106

DPD

ELUCIDATION
ON
REGULATION OF BANK INDONESIA
NUMBER: 12/16/PBI/2010
CONCERNING
MONITORING SYSTEM FOR TRANSACTIONS ON FOREIGN CURRENCIES
AGAINST RUPIAH

1. GENERAL

The currently rapid integration of domestic financial market and global financial market leads to a number of challenges and risks for market participants. Bank Indonesia as the monetary authority is endeavoring to mitigate all of the aforementioned risks by providing responses in the form of anticipative and responsive policies on exchange rates in accordance with the development in the domestic foreign exchange market.

In such context, Bank Indonesia has issued provisions on the Monitoring System for transactions on Foreign Currencies against Rupiah (SISMONTAVAR) which basically is the improvement of the mechanism for monitoring activities in the domestic foreign exchange market, where information on interbank foreign exchange transactions is obtained through an on-line network system. Such policies are expected to be able to provide positive contributions to the implementation of Bank Indonesia's objective in the context of maintaining monetary stability.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory

Article 2

Paragraph (1)

Transactions on foreign currencies against rupiah shall not include the sale and purchase of foreign banknotes.

Paragraph (2)

Self-explanatory.

Article 3

Paragraph (1)

SISMONTAVAR supporting equipment shall include, among other things, personal computers.

Paragraph (2)

Referred to as “on-line condition” shall be a condition in which the system is linked through a data communication network with Bank Indonesia.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Correction of transaction may be submitted to Bank Indonesia by facsimile.

Article 4

Self-explanatory.

Article 5

Sub-paragraph a

Referred to as “there are problems with the SISMONTAVAR application” shall be problems encountered in SISMONTAVAR application at Banks and/or Bank Indonesia causing inability to transmit transaction information to Bank Indonesia.

Sub-paragraph b

Referred to as “there are problems with the data network” shall be, among other things, problems with telecommunication network causing inability of the SISMONTAVAR application to be connected on-line with Bank Indonesia.

Sub-paragraph c

Referred to as “there is a failure in the Dealing System” shall be that the Dealing System cannot be operated.

Sub-paragraph d

Referred to as “there is a force majeure” shall be a condition causing Banks to be unable to perform their obligations, namely:

earthquake, tsunami, volcano eruption, flood, typhoon, landslide,
fire, mass commotion, war, acts of terrorism, and/or strike.

Article 6

Self-explanatory.

Article 7

Self-explanatory.

SUPPLEMENT TO STATE GAZETTE OF THE REPUBLIC OF INDONESIA
NUMBER 5153